



COMMITTEE of the WHOLE

CITY COUNCIL

SUMMARY

November 22, 2021
5:00 P.M.
Hybrid Meeting

COUNCIL MEMBERS PRESENT:

S. Marmarou, (in person), D. Reed, L. Sihelnik, J. Cepeda-Freytiz, M. Ventura, M. Goodman-Hinnershitz, J. Waltman (electronically)

OTHERS PRESENT:

L. Kelleher, (in person), S. Smith, F. Lachat, S. Harrity, S. Rugis, E. Stock, A. Amoros, F. Denbowski, M. Oppenheimer (all electronically)

The meeting was called to order at 5:05 pm by Mr. Waltman.

I. Executive Session – Recycling Litigation

An executive session was held to review the recycling litigation beginning at 5:05 pm with those listed above.

The executive session ended at 5:41 pm and the meeting was open to the public.

Mr. Stock disconnected from the meeting at this time. Fire Chief Stoudt, Ms. Rodriguez, Ms. Castner, Mr. Crespo, Mr. Long, Police Chief Tornielli, and Mr. Kelly joined the meeting at this time.

II. Solid Waste Bid and 2022 Fees

Mr. Lachat stated that much hard work has been done and there are currently many challenges in the waste industry.

Mr. Rugis shared a Power Point presentation. He stated that the work has been a group effort. He stated that a five year contract with Republic Services is recommended.

Ms. Goodman-Hinnershitz thanked Mr. Rugis for the presentation. She questioned if other bids had been received. Mr. Rugis stated that Mascaro was the only other bidder and their

cost was approximately 17% higher than Republic. He stated that other companies chose not to bid.

Ms. Goodman-Hinnershitz questioned the need for a five year contract. Mr. Rugis stated that this is based on industry analysis. He stated that the contract will require Republic to acquire new trucks and companies won't make that investment for a two year contract.

Mr. Denbowski agreed with Mr. Rugis and stated that the City requires new trucks to alleviate leaks, reduce noise, and minimize break downs. He stated that the life span of a trash truck is 5 – 7 years and a five year contract is more competitive.

Ms. Goodman-Hinnershitz questioned if the contract contained performance measures including the number of missed stops. Mr. Rugis stated that Mr. Harrity and his team have addressed performance issues and those terms are included.

Mr. Denbowski stated that the industry standard is 1% missed stops per route. He stated that Republic has been exceeding this standard and misses less than 1%. He stated that the issues seem to be during holiday collection times and weather events. He stated that there is also performance bond protection in the contract language.

Mr. Harrity stated that there was a transition for 5,000 customers in 2021 and some of the issues were customer transition issues and new perceptions.

Ms. Cepeda-Freytiz questioned the 2022 rate. Mr. Kelly stated that there will be an increase of \$5 per month, or \$60 annually, which is a fee increase to customers.

Ms. Cepeda-Freytiz questioned if the other accommodations would remain. Mr. Rugis stated that they will remain as a goodwill gesture to residents.

Mr. Denbowski explained that the CPI increases in the contract are limited to 3% annually. He stated that inflation may be higher than that but contract language adds this cap. He stated that this will minimize cost increases. He stated that there is a national trend to increase removal fees. He expressed the belief that Reading will receive a good value for the service.

Ms. Cepeda-Freytiz questioned if the 2022 fee would be locked in for the duration of the five year contract. She questioned if the new fees and costs are reflected in the 2022 draft budget. Mr. Denbowski stated that costs can rise up to 3% annually for the next five years.

Ms. Cepeda-Freytiz questioned the City's fees. Mr. Denbowski stated that there is a base price and an administrative fee. He stated that he will provide a five year forecast of prices.

Ms. Cepeda-Freytiz questioned if this information would be available before the contract is awarded. Mr. Denbowski stated that the contract has been bid and responded to and cannot

be changed without a rebid. He stated that he can begin working on the forecast but cautioned on delaying the contract award.

Mr. Kelly stated that the forecast can be shared before the end of 2021 and also cautioned against delaying the contract award. He stated that delaying may disrupt services.

Ms. Rodriguez requested clarity that the cost increase may be more than \$5 in 2023, 2024, and 2025. Mr. Rugis agreed that it could be more than \$5.

Mr. Kelly explained the bid process. He stated that the rate may change annually by no more than 3% if necessary.

Ms. Sihelnik thanked Mr. Rugis for his presentation. She noted the need to educate residents about what items cannot be collected. Mr. Rugis agreed and stated that batteries cannot be collected. He stated that Public Works employees watch for repetitive large items as it may mean that there are business operations occurring. He reminded all that Public Works does remove electronics and up to four tires per week at curbside and when they are found to have been dumped. He noted that no other municipality provides this service.

Ms. Sihelnik noted the need to continue addressing illegal dumping. She suggested an educational campaign about the types of items that are collected. She expressed the belief that Public Works staff is critical to success.

Ms. Sihelnik questioned if rear pickup could be expanded. Mr. Rugis stated that many alleys are not passible by the trucks because they are too narrow.

Mr. Harrity stated that there are approximately 26,000 households in the City program (approximately 5,300 per day) and an average of 4-5 pick-ups are missed daily. He stated that accommodations are reviewed on a case by case basis and expressed the belief that the City is more than fair.

Mr. Rugis stated that a prior contract noted the need for the hauler to provide education but Public Works staff has a better approach and is known in the community.

Ms. Sihelnik questioned if trash receptacles are included in the contract. Mr. Kelly stated that they are not included because that drives the cost higher. Mr. Harrity agreed and stated that recycling receptacles are provided through grant funding. Mr. Rugis stated that the need for RFID chips in trash receptacles to track their owner is very complicated and expensive.

Mr. Kelly noted the need for Council to award the contract this evening.

Ms. Goodman-Hinnershitz questioned if the contract was being introduced this evening. Ms. Kelleher stated that it is a contract award and there is no layover necessary.

Mr. Waltman questioned if Council was ready to move forward.

Ms. Cepeda-Freytiz requested additional time.

Ms. Reed questioned if there is time for delay.

Mr. Waltman questioned if waiting two weeks would be okay. Mr. Amoros stated that it would be fine. Ms. Kelleher reminded all that delaying this evening would cause a three week delay because there are five Mondays in November.

Mr. Waltman stated that the contract would not be awarded this evening.

III. Review Budget Adjustments

Ms. Goodman-Hinnershitz thanked Mr. Kelly for keeping the draft budget current on the website.

Mr. Kelly shared his screen. He stated that revenue adjustments have been made based on the comments from the Auditor. He stated that these adjustments have reduced the use of fund balance to \$2.5 million.

Mr. Kelly stated that a new budget section has been added to Public Works for downtown activities. He stated that there will be one full time employee and four part time employees who will be ambassadors. He stated that the total for this category is \$428,000.

Mr. Kelly stated that one full time position has been added to Finance for a project manager. He stated that this is a \$71,000 additional expense. He stated that this salary will allow a candidate to be hired who will focus on the transition out of USL and into Munis.

Mr. Kelly stated that additional requests will be coming forward in the coming weeks. He stated that Fund 54 will be updated with the new solid waste fees.

Ms. Rodriguez questioned if her request for a part time employee would be granted.

Mr. Waltman stated that Council has requested that this position be added. He questioned if that was done. Mr. Kelly stated that the position has been added.

Ms. Rodriguez stated that the position has not been added to the Position Ordinance. Mr. Kelly stated that it is included in the summary.

Ms. Sihelnik thanked Mr. Kelly for meeting with her to discuss the budget. She stated that she has requested additional items to be brought forward including Schlegel Pool. She stated that

the status of the Pool project is unclear. She stated that it is critical for the Pool to open on time in spring 2022.

Mr. Waltman requested an update on the Pool project at an upcoming COW meeting.

Ms. Sihelnik stated that there are potential grants that the City could apply for. She stated that it is unfortunate that some grant funds may need to be returned. She noted the need for the new Grants Coordinator to ensure that the use of funds is executed in a timely manner. She stated that there are no specific targets but that multiple grants have been received and noted the need for them to be managed and drawn down.

Mr. Kelly agreed and stated that he regularly meets with the Grants Coordinator. He stated that the new Finance project manager will also assist in this regard. He stated that the City has nine grants that must be drawn down by the end of 2022.

Ms. Sihelnik expressed the belief that nine grants plus ARPA projects and exiting Act 47 will be a lot to manage.

Ms. Cepeda-Freytiz stated that she sent a lengthy email with budget questions. She suggested that funding be allocated for the Youth Commission to address gun prevention. She stated that many organizations have contacted the Youth Commission and want to assist. She also requested that the grants revenue line item list the specific grants.

Mr. Kelly cautioned against having too much data in the budget because the document then becomes too lengthy.

Ms. Cepeda-Freytiz expressed the belief that additional information would help keep everyone focused.

Ms. Goodman-Hinnershitz noted the need to understand Council's role. She stated that the Administration must monitor expenses. She requested a process for Council to receive regular financial updates. She suggested beginning to use the Committee system in 2022 or to have these updates during Committee of the Whole meetings. She stated that not having regular updates requires extra time during budget review sessions.

Mr. Kelly stated that the City cannot do everything on its own and stated that the City did not apply for the gun prevention grant.

Mr. Denbowski requested that Ms. Castner review the downtown budget.

Ms. Castner stated that she has had many requests for the ambassadors to be present later in the day. She stated that the four part time employees would be present for 12 hours over two shifts. She explained that beautification is for the flower pots and clean-ups by Hope Rescue

Mission. She stated that the events line item is for seed funding for event planning. She stated that some 2021 events used grant funds from the Community Foundation. She stated that contracted services will be used to help with event planning. She expressed the belief that these are basic operational costs.

Mr. Denbowski stated that \$200,000 no longer needs to be budgeted for DID and the \$66,000 for the Downtown P3 has been reallocated to this budget area. He stated that some of the additional revenue suggested by the Auditor was also allocated for downtown. He stated that this centralizes the downtown costs.

Ms. Cepeda-Freytiz questioned if security guards are needed. Ms. Castner stated that the ambassadors will address clean and safe and will provide escorts. She stated that many people miss this service and don't like walking alone in the dark.

Ms. Sihelnik commended Ms. Castner for the success of the holiday parade and the services she has provided. She expressed the belief that DID was grossly underfunded at \$1 million annually and that less than half that amount is budgeted for 2022. She stated that she has big questions and expressed the belief that \$428,000 will not be enough. She stated that Public Works and Police have taken on additional duties downtown and have reduced capacities elsewhere. She questioned when Council would receive the final Downtown + Plan. She requested a report on the amount spent on Public Works employees and projects and Police Officers downtown to perform the work formerly done by DID. She noted the need for the new ambassadors to have the right skill sets. She stated that Ms. Castner will have difficulty managing her position in Public Works and continuing as the Downtown Coordinator.

Mr. Waltman stated that there are time constraints this evening but agreed that Council needs to review the Downtown + Plan. He stated that after the Plan is reviewed an overall downtown strategy can be discussed.

Ms. Sihelnik questioned when the Plan would be reviewed and whether it would be received before the budget must be approved.

Mr. Waltman expressed the belief that not all the information has been received at this time. He suggested that a deeper dive be made at a later date and funds reallocated as necessary. He noted the need to stay focused on the budget process. He stated that the Plan is currently being reviewed by the Administration.

Ms. Goodman-Hinnershitz questioned why there are time constraints. She noted the need to complete City business. She noted the need for a definite time for a discussion about the downtown.

Mr. Waltman stated that this evening's regular business meeting is scheduled to begin at 7 pm. He stated that the meeting will begin later than that if this discussion continues. He stated that the Administration is currently reviewing the draft Plan.

Mr. Amoros stated that he began his review last week. He stated that Ms. Castner will be keeping her role as Downtown Coordinator and will be abandoning her position as the Property Manager. He stated that Plan review will continue next week.

Mr. Waltman questioned when Council would receive the draft Plan. Mr. Amoros stated that the Plan is 700+ pages.

Mr. Waltman requested that the draft Plan be shared with Council in the next 1 – 2 weeks.

Fire Chief Stoudt noted the need to reallocate two 2021 Capital projects to 2022 due to supply chain issues.

Mr. Kelly stated that these reallocations will be included in the next budget draft.

Mr. Rugis stated that the Library HVAC project will also be delayed to 2022 due to supply chain issues.

Mr. Kelly stated that \$350,000 has been budgeted for the Library HVAC project. Mr. Rugis stated that the lowest bid received was for nearly \$600,000.

Mr. Kelly stated that he will also reallocate this project to 2022.

IV. Agenda Review

Council reviewed this evening's agenda including the following:

- Public Comment

Ms. Kelleher stated that one person has submitted written public comment on a non-agenda topic.

- Award of Contract to Zelenkofske Axelrod of Harrisburg, PA for ARPA Grants Management, Accounting and Compliance in the amount of \$150,000 in 2022 and \$100,000 annually thereafter until the end of the ARPA projects

Mr. Kelly stated that twelve bids were received and this is the firm that was chosen by the review committee. He stated that a PA firm was chosen because they would have a better understanding of PA law and they are willing to travel to Reading to provide technical assistance as needed.

Ms. Cepeda-Freytiz expressed the belief that this is an outrageous amount. She questioned what other municipalities are paying for this service.

Mr. Kelly stated that some of the bids received were up to \$6 million. He stated that he did not know what other municipalities are paying.

Mr. Waltman questioned the return on this investment. Ms. Kelleher stated that the services provided are described on page 17 of the agenda packet. Mr. Kelly reviewed the memo:

General Requirements

1. Assist with review of grant requirements, guidance, and interpretation in accordance with uniform guidance referencing 2 CFR §200.
2. Assist in funds administration and control procedures for the review of grant requirements, guidance, and interpretation.
3. Assist in funds administration and control procedures of grant proposals selected for funding.
4. Assist in developing policies and procedures for administrative, accounting, and grant compliance oversight.
5. Advise on the proper fund structure, accounting standards, internal controls and compliance.
6. Assist with creation and maintenance of project files. These files must demonstrate compliance with all applicable state, local and federal regulations.
7. Assist with compliance and monitoring of subrecipients and beneficiaries, including review of funding requests submitted by subrecipients as well as auditing for appropriate controls and documentation.
8. Assist in establishing an internal financial tracking system to ensure funds are expended within established timelines, recorded appropriately in the accounting system and generate information needed for periodic reporting to the granting agency.
9. Assist with conducting required risk assessments and review of internal controls.
10. Assist with preparation of project files identified as the subject of monitoring visits and/or audits by any requesting entity.
11. Assist with preparation of monitoring and/or audit responses to findings and/or concerns.
12. Assist with other grant administration-related activities and technical assistance as needed.

Mr. Waltman expressed the belief that much expertise is required.

Mr. Amoros left the meeting at this time.

Ms. Cepeda-Freytiz noted her understanding. She stated that this is the first time the City will receive this large amount of funding. She stated that if this work was never done before how can the cost be estimated.

Mr. Waltman expressed the belief that the firm will be working intimately with the City's ARPA Plan to ensure that Reading is in compliance with the rules as set forth by the US Treasury.

Ms. Goodman-Hinnershitz expressed the belief that it is critical to manage these funds correctly. She expressed the belief that the compliance rules will be similar to the rules for the use of other federal funds. She noted the need to protect this funding.

- Award of Contract for the Buttonwood Gateway Engineering Project to McTish, Kunkle & Associates of Allentown, PA at a cost of \$225,508 over two years

Mr. Rugis stated that this project is under construction and will include the installation of storm water collection in the streets. He stated that the scope of work has changed because another block has been added. He stated that sidewalks will also be installed. He stated that this is a capital project.

- Award of Contract for municipal trash collection for a five year period to Republic Services, Leesport, PA at the cost of \$6,800,000 for trash and \$2,950,000 for recycling

Mr. Waltman stated that this contract award will be removed from the agenda this evening and action will be taken at the December 13 meeting.

- Ordinance amending Code of Ordinances Chapter 62 New Officers and Employees Pension Fund, Section 102 to prohibit the participation of new members where the employee is hired or rehired on or after January 1, 2022

Mr. Waltman questioned if this ordinance was ready for Council action. Mr. Denbowski stated that additional details are needed from the Pension Solicitor.

- Ordinance authorizing a budget transfer of \$30,000 from Finance to the Mayor's Office for the purchase of a car for the Mayor

Mr. Denbowski requested that this ordinance be withdrawn from the agenda. He stated that a replacement car has been found as part of the City's current fleet and there is no need for this purchase.

Ms. Reed noted the need for Council to review a list of the City's fleet vehicles and who the vehicles are assigned to. She expressed the belief that personal cars should be used for City business and mileage be submitted if necessary.

Mr. Waltman requested this list be provided to Council.

Ms. Reed noted the need for a vehicle policy for usage and for mileage reimbursement. She noted the need for an approval process for official use of these vehicles. She expressed the belief that those who enter public service should not do so to amass large amounts of money. She stated that Reading has a high rate of poverty and the City should not be using taxpayer funds for vehicles and fuel when the City is less than 10 square miles in size.

Mr. Waltman stated that a policy will be developed after the list is received.

Ms. Reed suggested that mileage trackers be installed on City vehicles to track their usage.

Mr. Waltman suggested that Ms. Reed work with Mr. Denbowski to get this project started.

Mr. Denbowski stated that he will work with Ms. Reed on the policy and will compile the list of the City fleet.

Ms. Reed suggested that Ms. Goodman-Hinnershitz also assist.

Ms. Goodman-Hinnershitz agreed to assist and stated that she is very familiar with vehicle policies and best practices.

- Ordinance authorizing a budget transfer of \$12,000 from Finance to the Mayor's Office to reimburse the Pottenger Trust Fund to cover the cost of the gun buyback program, as this fund may be used only for charity

Ms. Cepeda-Freytiz noted her concern that the Auditor indicated that the use of the Trust Fund could not be used for the gun buyback program. She questioned why it was used anyway.

Mr. Denbowski stated that the funds were used before the Auditor discovered the use of the funds for charitable agencies only. He stated that this is an accounting clean up issue to reimburse the Trust Fund.

Ms. Cepeda-Freytiz expressed the belief that the Auditor was very clear and specific about how the Trust Fund can be used. Mr. Denbowski agreed and stated that this is an accounting transaction.

Ms. Rodriguez stated that the Trust Fund cannot be used for the gun buyback program. She stated that she provided the information as soon as she learned about it.

- Ordinance authorizing the addition of an Agency Fund line item in the amount of \$25,000 for downtown holiday related costs

Ms. Sihelnik questioned what these costs are since the donations and sponsorships already exceeded this amount. She requested justification for the need for this funding. Ms. Reed agreed.

Mr. Denbowski stated that this line item will allow the offset of the donations.

Ms. Castner stated that the City needs an account to pay expenses. She stated that costs for the Holiday parade include the creation of banners, the cost of school buses, the planters, etc. She stated that the Community Foundation, Parking Authority, Greater Reading Chamber Alliance, and RAWA were major parade sponsors.

Ms. Sihelnik questioned if the use of an agency fund was the appropriate means to set this account up. Ms. Castner stated that the solicitor has opined that this is the proper way to set up the account.

Ms. Sihelnik questioned the parade expenses. Ms. Castner stated that the costs are still being compiled.

- Ordinance authorizing a budget transfer in the amount of \$60,000 from Solid Waste Contracted Services to Recycling Contracted Services to cover the increase in tipping fees through the end of 2021

Ms. Cepeda-Freytiz questioned what tipping fees are. Mr. Rugis stated that this is the fee for taking waste to the landfill and dumping it. He stated that this amount is related to cleanups performed outside the collection contract.

- Ordinance amending City Code Chapter 496, Part 1 Dumpster Placement requiring annual permitting for permanent dumpsters/toters within the public right of way, screening of all dumpsters/toters, requiring weekly collection and using any revenue for the expansion of the Clean City Program

Mr. Denbowski stated that a presentation will be made to Council before the ordinance is eligible for final passage.

VI. EXECUTIVE SESSION - PERSONNEL

The seven members of Council, Ms. Kelleher, Ms. Smith, Mr. Denbowski, and Mr. Lachat remained in the meeting.

Council entered executive session at 7:25 pm.

The executive session ended and the meeting adjourned at 7:37 pm.

*Respectfully Submitted by
Linda A. Kelleher, CMC, City Clerk*